

December 4, 2015

**VIA ELECTRONIC MAIL**

Claire Hong  
U.S. Environmental Protection Agency, Region 10  
1200 Sixth Ave, ECL-122  
Seattle, WA 98101  
hong.claire@epa.gov

Re: *Good Faith Offer in Response to Invitation to Negotiation Pre-Remedial Design  
ASAOC for the Quendall Terminals Superfund Site in Renton, WA*

Dear Ms. Hong:

This letter serves as Quendall Terminals' good faith offer in response to the U.S. Environmental Protection Agency's ("EPA's") letter dated October 7, 2015. Included as part of this offer are revised versions of EPA's draft Statement of Work for the pre-Remedial Design ("SOW") and the draft Administrative Settlement Agreement and Order on Consent ("ASAOC").

There has not been sufficient time since the meeting on November 10, 2015, to coordinate this offer with the other potentially responsible parties ("PRPs"). Our focus has been on revising the SOW and ASAOC to provide EPA with comprehensive comments on these documents. We have had some limited discussions with the other PRPs and anticipate additional discussions following delivery of this letter.

At this time, Quendall Terminals offers to enter into the ASAOC, as revised, and fund ten percent (10%) of the cost of the pre-Remedial Design work outlined in the attached SOW under the following circumstances:

- The Administrative Settlement Agreement and Order on Consent for Remedial Investigation/Feasibility Study between EPA, Quendall Terminals, Altino

Properties, Inc., and J.H. Baxter & Co. dated September 20, 2006 is terminated, as reflected in the revised draft ASAOC included with this offer.

- EPA agrees to reduce the financial assurance required for the work outlined in the SOW to \$750,000, which is the estimated cost of the revised SOW.
- The PRPs execute a tolling agreement for future costs (a draft tolling agreement was sent to all PRPs on November 18, 2015).
- We are able to reach agreement with the other PRPs for funding of the pre-Remedial Design work.

If adequate funding is available for the pre-Remedial Design work, Quendall Terminals is willing to contract with Aspect Consulting and its subcontractors for performance of the work. Quendall Terminals believes that Aspect Consulting's familiarity with the Site and work on the RI/FS process demonstrate its qualification to conduct the pre-Remedial Design work.

The most significant revision to the SOW is the removal of the sediment explorations. Before proceeding with a study to better define the scope of the sediment remedy, we suggest that EPA and the PRPs discuss the scope of the remedy to be implemented in the event EPA issues an interim Record of Decision for the sediment. Depending on the scope of the preferred remedy, it may not be necessary to perform a remedy definition study for the sediment.

We would like to schedule a meeting with you to discuss this offer and answer any questions. Please let us know when you are available for such a meeting.

Sincerely,

Davis Wright Tremaine LLP

A handwritten signature in black ink, appearing to read "L Manolopoulos", written in a cursive style.

Lynn Manolopoulos

cc: Robert Cugini  
James Benedict  
Georgia Baxter  
Ted Yackulic